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(2010) Developing a Tentative Framework for Strategic Thinking. In: British Academy of Management Conference 2010, 14 September 2010 - 16 September 2010, University of Sheffield, Sheffield, UK. (Unpublished)

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Version: Accepted Version

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Developing a tentative framework for strategic thinking

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Strategic Management track

6812 words

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Summary

This paper begins by highlighting the importance of strategic thinking and then proceeds by critically evaluating the strategic thinking literature to conclude that the phenomenon is weakly conceptualised and inadequately researched. An inductive methodology to generate data related to strategic thinking practice is then outlined. Subsequently, data is presented from interviews with executives from a Primary Care Trust about which issues they consider to be the most strategic and why. That data is analysed to produce seven themes and three categories. External validity is explored by reviewing the literature relating to goals, issues and actions before proposing a tentative framework for strategic thinking. This framework is proposed as a basis for further research.

Abstract

This paper begins by highlighting the importance of strategic thinking and then proceeds by critically evaluating the strategic thinking literature to conclude that the phenomenon is weakly conceptualised and inadequately researched. An inductive methodology to generate data related to strategic thinking practice is then outlined. Subsequently, data is presented from interviews with executives from a Primary Care Trust about which issues they consider to be the most strategic and why. That data is analysed to produce seven themes and three categories. External validity is explored by reviewing the literature relating to goals, issues and actions before proposing a tentative framework for strategic thinking. This framework is proposed as a basis for further research.

Introduction

This paper begins by highlighting the importance of strategic thinking and then proceeds by critically evaluating the strategic thinking literature to conclude that the phenomenon is weakly conceptualised and inadequately researched. An inductive methodology to generate data related to strategic thinking practice is then outlined. Subsequently, data is presented from interviews with executives from a Primary Care Trust about which issues they consider to be the most strategic and why. That data is analysed to produce seven themes and three categories. External validity is explored by reviewing the literature relating to goals, issues and actions before proposing a tentative framework for strategic thinking. This framework is proposed as a basis for further research.

Claims for the importance of strategic thinking have been made for over two decades. In the 1980s, Porter (1987b:21) argued that “*The need for strategic thinking has never been greater*”. More recently strategic thinking was argued to be an important challenge facing executives (Zabriskie and Huellmnatel 1991; Zahra and O'Neill 1998; Bonn 2001). Increasing interest is confirmed by searching the academic literature. A search of the ABI/INFORM Global Business database presented in figure 1 shows the outcome of a keyword search for the terms Strategic Thinking, Strategic Management, and Strategic Planning in the title of academic papers. (In figure 1 the annual increase in the total number of published papers is accounted for by dividing the number of papers in a given time period by the number in the first time period. Search conducted on 9th September 2009).

Take in figure 1 about here.

However, despite its unmistakable importance, the phenomenon remains weakly conceptualised and inadequately researched. There is no agreed or definitive concept of strategic thinking in the literature (Heracleous 1998; Bonn 2001; O'Shannassy 2003) and strategic thinking is variously considered to be an individual (Stumpf 1989; Crouch and Basch 1997;

Crouch 1998; Dickson, Farris et al. 2001; Pellegrino and Carbo 2001) and collective (Bonn 2001; O'Shannassy 2003; Bonn 2005) phenomenon, undertaken by either executives (Porter 1987b) or organisational members from multiple levels (Harari 1995; Liedtka 1998a; O'Shannassy 2003). A weak conceptualisation of strategic thinking limits our ability to research and communicate meaningfully. This is not a naïve call for a highly definitive (Blumer 1940; 1954) conceptualisation of strategic thinking nor a suggestion that diversity necessarily represents disintegration (Hambrick 2004). Rather it is a call for greater clarity than is currently the case. The complex and multifaceted nature of the phenomenon does not excuse the strategy scholar from pursuing greater clarity.

The current state of strategic thinking literature

Increasing use of the term strategic thinking does not mean increasing clarity since authors often do not provide a definition (for example: Ajimal 1985; Altier 1991; Millett and Leppanen 1991; Reagan-Circincione, Schuman et al. 1991; Finlay and Marples 1998; Aggarwal 1999; Ostergren and Huemer 1999; West and Wolek 1999; Watson and McCracken 2002). Other authors indicate what strategic thinking is not, for example it is not: business planning (Aggarwal 1999); strategic planning (Harari 1995); operational thinking (Bates and Dillard Jr 1993); mechanistic (Howard 1989); nor routine thinking (Schoemaker 1995).

Intuitively one might suggest that that strategic thinking is thinking about strategy but this is problematic for four reasons. First, the relationship to strategic planning is open to different interpretations (Wilson 1994; Heracleous 1998; Wilson 1998) with either strategic planning of primary importance (Easterby-Smith and Davies 1983; Steiner, Kunin et al. 1983; Zabriskie and Huellmnatel 1991; Bates and Dillard Jr 1993), or strategic thinking of primary importance (Bonn 2001) supported by strategic planning (Porter 1987b; Mintzberg 1994), or a balanced relationship between the two in which both contribute to strategic management (Heracleous 1998; Liedtka 1998a; Graetz 2002; O'Shannassy 2003). Second, since the essential characteristics of organisational strategy were proposed in the 1960s (Chandler 1962; Ansoff 1968), the concept has become less tightly defined with strategy conceived as multidimensional and contingent on circumstances (Chaffee 1985; Mintzberg, Ahlstrand et al. 1998; Jenkins and Ambrosini 2002). Although fundamental areas of agreement have been suggested (Chaffee 1985; Thomas and Pruett 1993; Nag, Hambrick et al. 2007) concerns about the assumption of a consistent conceptualisation of strategy can be raised because of the different organisational circumstances under which the strategy concept is invoked. These include individual businesses (Porter 1980; 1985), organisations with a number of businesses (Porter 1987a), small firms (Ebben and Johnson 2005), international businesses (Yip 1989), and the public sector (Llewellyn and Tappin 2003). Third, the concept has blurred as strategy has lost connotations of referring to a whole organisation (Hambrick and Fredrickson 2001), has been appropriated by management disciplines (Lyles 1990; Barry and Elmes 1997) and is increasing used in society more widely (Crow 1989; Knights and Morgan 1990). Fourth, the concept has changed over time. For example, in the 1990s' Mintzberg's (1994) critiqued strategy as planning and Prahalad and Hamel (1994) doubted the relevance of traditional approaches to strategy, suggesting a re-conceptualisation would have merit. More recently strategy has been conceptualised as a social practice (Whittington 1996).

Strategic thinking has particular characteristics

The most common way of conceptualising strategic thinking is as thinking that has particular characteristics, often thinking that is creative (Howard 1989; Mintzberg 1994) or analytical (Stumpf 1989; O'Shannassy 2003) and both analytical and creative (Weber 1984; Porter 1987b; O'Shannassy 2003). However, a diverse range of characteristics have been suggested and a summary of these together with citing authors is shown in table 1.

Take in table 1 about here

Table 1 contains some twenty characteristics, producing over one million possible combinations. The difficulty in identifying the “fundamental” characteristics of strategic thinking is illustrated by figure 2 where lines are drawn between each characteristic and those with which it is associated in the publications summarised in table 1. While intuitively some characteristics might be thought to be more “fundamental” to strategic thinking, there is no clear demarcation between fundamental and non-fundamental characteristics. Further, labels attached to characteristics such as creative refer to concepts that themselves may be complex or weakly defined. For example, the literature concerning creativity in an organisational setting addresses different levels of analysis, units of analysis and has a distinct focus on either creative outputs or creative process (Drazin, Glynn et al. 1999).

Take in figure 2 about here

A more explicit, but less common, conceptualisation of strategic thinking is thinking with a particular structure. Weber (1984) discusses strategic thinking as involving assessment of the situation, analysis of the problem and synthesis of considerations about how to solve the problem. Eden (1990) describes a strategic options development and analysis project structured in terms of thinking about issues, goals, and actions. Klayman and Schoemaker (1993) propose thinking about the future that involves a knowledge base, a problem representation, and linkages between these two.

Strategic thinking is inadequately researched

In addition to the weak conceptualisation of strategic thinking in the literature there is rarely a robust connection to empirical data reflecting management practice (Liedtka 1998b; Dickson, Farris et al. 2001). For example, Linkow (1999) proposes characteristics for strategic thinking from a study of twenty gifted strategic thinkers, but provides minimal methodological details. Crouch and Basch (1997) apply content analysis to the journals of managers to identify managerial thinking about strategic purpose, but the managers were MBA students involved in a management simulation. While the use of MBA students in this way may have some validity (Finlay 1998), this may be undermined because they do not face the complexities of real management situations, contend with the history of the management team and make a commitment to action which will have consequences for their future (Eden 1995). Ostergren and Huemer (1999) analyse data from semi-structured interviews to show how managers' thinking changed in response to internationalisation, but provide no definition of strategic thinking. Robust studies into managerial cognition (for example: Porac, Thomas et al. 1989; Reger and

Huff 1993; Calori, Johnson et al. 1994; Hodgkinson 1997; Jenkins and Johnson 1997) are of uncertain value without a better understanding of how managerial cognition relates to strategic thinking.

Methodology

Clearly, further research is needed to improve the conceptualisation of strategic thinking and to make a stronger connection to management practice. Deficiencies in the extant literature indicate that a deductive approach (Camerer 1985) is inappropriate but an inductive approach would produce a stronger reflection of practice and develop a better understanding of strategic thinking provided results are related to extant literature to provide external validity and generalisability (Eisenhardt 1989). In formulating an inductive approach a number of assumptions were made. First, reflecting the practice turn in strategy (Whittington 1996; 2003; Whittington, Jarzabkowski et al. 2003; Jarzabkowski 2004; Whittington, Molloy et al. 2006) strategic thinking is assumed to be an everyday activity undertaken by executives. Second, strategic thinking is assumed to be an individual activity. Third, an executive's interpretation is valid since although it may not agree with any general consensus in the extant literature (Summer, Bettis et al. 1990; Thomas and Pruett 1993) they would act based on that interpretation. The fourth assumption supports the validity of data by assuming that insight into an executive's strategic thinking, can be obtained by understanding which issues they consider strategic and why (Eden 1990) since dealing with strategic issues (Dutton and Ashford 1993) is linked to organisational action (Dutton and Jackson 1987).

Data was generated using a cognitive mapping method. A number of different techniques to produce cognitive maps have been developed (Markoczy and Goldberg 1995; Daniels and Johnson 2002; Hodgkinson, Maule et al. 2004), some more ideographic which may produce a more valid representation of managerial cognition (Daniels, Johnson et al. 2002) and some more nomothetic (Hodgkinson 2002) which allow better comparison between maps (Langfield-Smith and Wirth 1992). Since the study was essentially inductive in nature, a form of cognitive mapping known as cause mapping was appropriate because it captures idiosyncratic ways of seeing the world (Eden and Ackermann 2004) in relation to specific phenomena rather than generalisations (Nelson, Nadkarni et al. 2000). Although there is no consensus on how to elicit cause maps in strategy research, the method generally uses open structures (Eden, Ackermann et al. 1992) with laddering questions to generate causal links (Eden, Jones et al. 1979; Eden 1988; Reynolds and Gutman 1988). A freehand drawing method was used to generate data since it has been suggested that visual representations help interviewees make explicit taken for granted aspects of their thinking (Balogun, Huff et al. 2003) and interviewee engagement is higher than with some other techniques (Brown 1992).

To support validity the cause map was reviewed with the interviewee both during the mapping process and when the final map was drawn (Nelson, Nadkarni et al. 2000; Eden and Ackermann 2004). The final cause map is not considered to fully represent the executive's causal structures (Fahey and Narayanan 1989; Markoczy and Goldberg 1995; Nelson, Nadkarni et al. 2000; Hodgkinson 2002; Johnson and Johnson 2002) but it is considered to sufficiently reflect them to provide insight.

The interview protocol

To elicit which issues an executive considered strategic, why they were considered strategic and the executive's thinking about the issue, the interview protocol shown in table 2 was developed. A time period of one week was set to balance a long time period that would increase the probability of identifying a strategic issue and a short time period that would increase accurate recollection. "Post-it" notes were used to record the issues, enabling engagement with a physical representation of ideas which may be useful when considering complex issues (Sims and Doyle 1995). The interview protocol was used with the seven members of a UK National Health Service Primary Care Trust (PCT) senior management team (SMT).

Take in table 2 about here

Findings

Two types of data were generated. First the reasons individual members of the PCT SMT gave for an issue to be the most strategic. Second, the cause maps generated from what individual members of the PCT SMT said they had been thinking about that most strategic issue.

What makes an issue strategic?

Which issues were considered most strategic and the reasons for those issues being the most strategic are shown in figure 3. The phrases in the centre are the issues that were most strategic for each interviewee. Colour coding is used to indicate the interviewee. Two interviewees offered three issues, two offered four issues, two offered five issues and one offered six issues. In follow-up interviews approximately one month later all confirmed the issue was still the most strategic and for the same reasons. Three interviewees reported changes in the relationship between the most strategic issues and the other issues using the phrases "more polarised", "more emphasis" and the "gap had narrowed". This indicates a degree of stability to the data. The reasons for an issue being most strategic are grouped together in emergent themes. The interviewees indicated they were content with this grouping and the labels. The themes were not necessarily mutually exclusive and some reasons could have been allocated to more than one theme. The purpose was not to definitively allocate reasons to themes but to generate a parsimonious set of themes that sufficiently represented the range of reasons provided by interviewees. The themes generated from the data are discussed below.

People. This was a common theme being mentioned by five interviewees. Some reasons were because of the personal impact on the interviewee, "Getting my attention and time" and "Impact on my working life". Although a personal aspect to strategy is present in the strategy literature it has lost some of the emphasis that it once had (Hoskisson, Hitt et al. 1999; Hambrick 2004).

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Time. Time was mentioned by five interviewees with long timescales being mentioned or implied by four. Two also mentioned a range of timescales. One indicated that the issue was most strategic because it was “Immediate” and “Short to medium term”.

Scope. Scope was used for reasons implying implications not tightly circumscribed. Four interviewees mentioned reasons that were grouped under scope, including “Across widest spectrum, national and local”, “Breadth of organisational involvement”, “Range of changes needed to make it happen”, “Implications for organisation, patients and services”, “Implications for other issues” and “Number of levels”.

Purpose. Three reasons were interpreted as indicating organisational purpose, “It’s what we are set up to do”, “Heart of what the organisations about” and “Help local people’s health”.

Impact. The impact of an issue was given as a reason by two interviewees and a third mentioned “Impact on my working life”.

Unknowns. That there were “Unknowns associated with the issue” was mentioned by only one interviewee.

Social. The same interviewee considered the issue to be most strategic because it “Involves politicking, persuasion and trust”. These might be treated as separate items but the interviewee said that they were essentially all part of the same thing rather than three separate items. The label social was used to indicate the apparent social nature of this reason.

Categorising thoughts about strategic issues

Only six of the cause maps were analysed because the seventh interviewee did not engage with the interview. The largest map had 49 nodes, the smallest had 27 and the average was 38. The interviews producing these maps varied from 25 to 65 minutes with an average of 41 minutes. Again, the aim in this analysis was to generate a parsimonious category set that sufficiently represented the data. Moving from qualitative data to categories is usually difficult because the methods of analysis are not well formalised in comparison to methods for analysing quantitative data (Miles 1979). This analysis involves interpretation and judgement by the researcher, reflecting the researcher’s preunderstanding (Gummesson 2000) and a degree of insight and creativity (Langley 1999). The three categories of goals, issues and actions were initially proposed to represent the data, suggested by the work of Eden (1990).

This categorisation was accepted by all the interviewees, with only a few nodes being re-categorised. Three interviewees commented on the categorisation. IA was content with the categories but commented that the categorisation of the map into goals, issues and actions did not reflect “processy stuff” well. This label appeared to refer to combinations of nodes suggesting a category above individual nodes. IG commented that a node coded as a goal they thought of as an operational milestone towards achieving a goal. IG also commented that some actions have significant duration and some goals extend over time so there may be overlap between actions and goals. SA commented two nodes coded as issues could be interpreted as interim goals or descriptors of steps along the way or as indicators of success.

The category goal was given a broad interpretation to include nodes that suggested desirable outcomes, “positive goals”, and undesirable outcomes, “negative goals”. All maps contained interconnected goals. The category action was interpreted to indicate action on the part of either the individual or the organisation. Actions tended to occur in patterns rather than linear sequences and were typically linked to combinations of issues or goals. Nodes that were not interpreted as goals or actions were categorised as issues. Issues occurred in combinations rather than in isolation and tended to include both internal and external issues in combination.

Integrating themes and categories

Executives’ thinking about a strategic issue can be categorised into **Goals, Issues and Actions** and the themes, **Purpose, People, Scope, Social, Unknowns, Time, and Impact**. A tentative framework for strategic thinking in practice can be developed by exploring the nature of these categories and themes, and their interrelationships.

One aspect of strategic thinking involves goals in relation to the organisation, reflected in “survival of the organisation HL20”. (HL20 refers to the interviewee reference code and map node number). Other goals relate to people, either the interviewee, “important for my success HL31”, or others, “people get a new job IF1”. Other goals are supra-organisational, “make decisions for the whole economy HL14”. Goals can be positive, “quality of service IA32” and “delivering a consistent health message IA36”, or negative, “avoid disasters IA20”.

The diversity indicated by personal, organisational and supra-organisational goals reflects the theme of scope. Scope was indicated not only in goals but also in issues. Issues were, organisational “difficult financial situation IA3”, regional “senior STHA people gone IA1” and national “national standards for public health IA13”. Some issues were external, “practice consortia developing, possibly in other areas RZ30” and others internal, “adverse staff moral RZ22”.

Some issues reflected the social theme, “meeting public perception SA24”, “tension between clinicians and non-clinicians RZ43”, “my future not determined by the CE of STHA RZ47” and “only effective mechanism is a political one RZ2”. The apparent preponderance of the social theme in cause maps is interesting given that the social theme was derived from only one member of the SMT.

The social theme was also reflected in some actions. Some were described as “managerial”, “set KPIs HL35” and “monitor plan HL34”. Others suggested a social dimension, “ensure we are holding hands across the economy HL21”, “maintain local approach to partnerships IA33” and “involve local politicians IA38”.

Other actions suggested the theme of unknowns, for example alternative actions resulting from the “PCT runs out of cash SA38” to avoid undesirable outcomes. The theme of unknowns was also suggested in a number of issues, “test the assumptions of PCTs HL30”, “uncertainty about the future RZ21”, “unless revolt by backbench MPs RZ34” and “strategic change environment uncertain IA8”.

External validity

The findings are from a few interviewees, in a specific context, may have substantial researcher bias and hence be highly idiosyncratic. The extent to which these findings reflect concepts in the extant literature indicates external validity and generalisability. The intention to develop theory by connecting the empirical and conceptual worlds (Eisenhardt 1989; Dubois and Gadde 2002) and gain insight from data without neglecting previous research (Denis, Lamothe et al. 2001). Since goals, issues and actions are the main categories of data these concepts are used as a framework to examine the literature.

Goals

Goals, in the widest interpretation, have been a central theme in the strategy literature since the strategy concept's earliest application to modern organisations. As Chandler (1962:13) stated, strategy is concerned with "the long-term goals and objectives of an enterprise". Goal formation is central to strategic decision making (Schwenk 1984; 1995) and almost fifty years after Chandler, Jarzabkowski and Fenton (2006) emphasise goals in strategizing. Over this period different conceptualisations of strategy have developed, but goals have remained central (Chakravarthy and White 2002).

Goals find clear expression in the strategic planning literature. Strategic planning is related to organizational purpose (Mintzberg 1978) and is concerned with the mission, objectives, aims and goals of the organisation (Pearce, Freeman et al. 1987; Mintzberg 1994). Here, strategy is a way for the organisation to achieve its goals (Schoeffler, Buzzell et al. 1974; Anderson 1982; Miller and Cardinal 1994). Within the planning process a goal hierarchy is established, with the achievement of more clearly defined specific goals leading to the achievement of less clearly defined, broader goals (Quinn 1978).

In the entrepreneurial literature, strategy is less about specific goals than the general direction of the organisation (Mintzberg 1978; 1994). Typically, there is a vision, a single, shared organisation-wide intention (Stacey 1993), and the goals of the organisation are those of the entrepreneur (Simon 1964). Broad visions may be more useful than specifically articulated goals in accommodating environmental changes (Mintzberg 1994). This notion also finds expression in strategic intent (Hamel and Prahalad 1989) where long-term organisational obsessions inspire employees in the pursuit of ambitious goals. Both the planning and entrepreneurial views are teleological (van de Ven 1992) in which "Changes in organizations are viewed as movements towards a desired purpose, goal, function, or aspiration" (Garud and Van de Ven 2002:211).

The strategic planning and entrepreneurial literatures assume goal consensus but goal diversity may serve the organisation better (Bourgeois 1980; 1985) and attempts at developing consensus may be counterproductive under certain circumstances (Dess 1987). However, assumptions of goal consensus within the senior management team and the organisation persist. Even where diversity in organisational perspectives is acknowledged (Kaplan and Norton 1992), it is assumed that goals can be integrated coherently (Kaplan and Norton 1993) and that this "integrated set of objectives" be "agreed upon by all senior executives" with any lack of

agreement resolved by non-political processes of discussion and communication (Kaplan and Norton 1996:76).

However, describing organisational goals as unitary, reflecting a single individual or group consensus, may present an unrealistic account of goals in organisations (Cyert and March 1992). An adaptive (Mintzberg 1978) or dialectic (van de Ven 1992; Garud and Van de Ven 2002) perspective acknowledges the conflicting goals (Mintzberg 1978) and multiple aspirations (Stacey 1993) of organisational actors, and the multiple goal structures of organisations (Quinn 1978). Here, organisations are collectives, with individuals instrumental in goal formation (Daft and Weick 1984), disagreement about goals and how to achieve goals a source of conflict (Schwenk 1995), and strategy as attempting to achieve objectives in interaction with or against others (Child 1997). Consequently, goals emerge as a result of constraints and political processes between organisational actors (Ocasio 1997). Additionally, dialectic perspectives acknowledge that the organisation reflects the goals of many groups and individuals (Jones 1995), both inside and outside the organisation (Donaldson and Preston 1995; Mitchell, Agle et al. 1997). Although this pluralistic view (Denis, Lamothe et al. 2001; Denis, Langley et al. 2007) finds little emphasis in the mainstream strategy literature it may have increasing importance (Jarzabkowski and Fenton 2006).

The emphasis on goals is not universal though. The evolutionary perspective suggests that environmental selection processes better explain organisational change than goal directedness (Hannan and Freeman 1989). Complexity perspectives argue that long-term outcomes result of both intention and emergence (Stacey 1995) with goal directedness bringing a degree of stability to the evolutionary process (Chakravarthy and White 2002). Alternatively, actions are taken within organisational constraints (Simon 1964) and to avoid negative outcomes, rather than to achieve positive goals (Morgan 1983). Even when strategy is recast as a narrative discourse it creates “a discourse of direction” (Barry and Elmes 1997:432).

The goal category clearly reflects an important theme in the literature. This literature can be used in the process of theory building to suggest aspects of goals that are not evident in the original findings but that warrant further consideration (Eisenhardt 1989). First, goals may be quite general or more specific. Second, goals reflect the interests of a number of stakeholders. Third, goals may be consensual or conflicting. Fourth, goals may differ in the extent to which they are predetermined or emergent as a result of constraints and political processes between organisational actors.

There is a relationship between goals and issues since which goals might be achieved and how those goals might be achieved changes as attempts are made to resolve issues (Dutton 1986). Thus, organisational outcomes are influenced by the interpretations of issues (Dutton 1993; Thomas, Clark et al. 1993; Denison, Dutton et al. 1996; Mittal and Ross 1998) and intention influences the interpretation of issues (Gioia and Thomas 1996).

Issues

A consideration of issues is evident in relation to strategic issues, which are trends, developments and events that have significant implications for organisational objectives (Ansoff

1980; Dutton and Jackson 1987; Fox-Wolfgramm, Boal et al. 1998) or performance (King 1982; Dutton and Ashford 1993; Denison, Dutton et al. 1996; Mittal and Ross 1998). Strategic issues can originate inside and outside the organisation (Ansoff 1980; Dutton and Ottensmeyer 1987; Dutton, Walton et al. 1989). Strategy may develop as the pattern of responses to these issues over time (Dutton 1986; Dutton and Duncan 1987). Given their potential impact, awareness of strategic issues should be an important concern of strategists (King 1982) and is central to strategic decision making (Dutton, Fahey et al. 1983).

There are different perspectives on how strategic issues should be incorporated into a strategy process (Dutton and Duncan 1987) including formal planning processes (King 1982), subsystems to address specific strategic issues (Quinn 1978) and managing agendas of strategic issues (Ansoff 1980; Stacey 1993; Langlely, Mintzberg et al. 1995). However, although their importance is acknowledged, it is difficult to identify strategic issues, being variously described as controversial, ambiguous, uncertain, incomplete, equivocal, ill defined and conflicting (King 1982; Dutton, Fahey et al. 1983; Dutton 1986; Dutton and Ottensmeyer 1987; Dutton, Walton et al. 1989; Bansal 2003). They are also usually found in combination with and interconnected to other issues (Dutton 1986; Dutton, Walton et al. 1989; Thomas, Shankster et al. 1994) and simple linear models provide a poor description of how issues are addressed (Bansal 2003). Appreciating an issue combination containing a large number of issues is difficult since individuals can only pay attention to a limited number of issues (Miller 1956) and their information processing capacity is limited (Dutton, Walton et al. 1989).

Thus, strategic issues are complex and open to multiple interpretations (Thomas, Shankster et al. 1994; Bansal 2003) that may change with time (Eden, Jones et al. 1979; Dutton, Fahey et al. 1983). Hence, rather than involving objective facts, issues involve individual interpretation (Dutton 1993) influenced by individual interests, beliefs, values, roles, and political and social interactions (Eden, Jones et al. 1981; Dutton, Fahey et al. 1983; Dutton and Duncan 1987; Thomas, Shankster et al. 1994). Interpretation of an issue is influenced by categorisation (Thomas and McDaniel 1990; Dutton 1993) and the categorisation of issues is related to organisational action (Dutton and Jackson 1987). However, the categorisation, and hence the interpretation of an issue, is influenced by framing (Dutton, Fahey et al. 1983) for example as positive or negative (Mittal, Ross et al. 2002). Framing results from not only the content of the issue but also the context of the issue (Dutton and Jackson 1987; Denison, Dutton et al. 1996).

Contextual influences on issue framing can be considered at three levels: institutional; organisational and individual. At the institutional level (Greenwood and Hinings 1996; Barley and Tolbert 1997) there are pressures for isomorphism. (DiMaggio and Powell 1983). At the organisational level, influences include organisational strategy, beliefs, ideology, structure, size, inertia, resources, processes, culture, composition of the group, social relationships and prior experience with the type of issue (Dutton and Duncan 1987; Dutton and Jackson 1987; Thomas, Shankster et al. 1994; Denison, Dutton et al. 1996; Ocasio 1997). At the individual level, influences include values, education, nationality, role, functional background, affective state and organisational experience (Dutton and Jackson 1987; Thomas, Shankster et al. 1994; Denison, Dutton et al. 1996).

Thus, understanding how issues are dealt with by organisations requires not just an appreciation of the structural influences on how issues are attended to by individuals (Ocasio 1997) but also individual concerns and perspectives on issues (Thomas and McDaniel 1990; Thomas, Shankster et al. 1994; Bansal 2003). This is especially so since perceptions of identity are related to issue interpretation (Dutton and Dukerich 1991; Gioia and Thomas 1996) and responses to strategic issues can have personal consequences (Dutton 1986).

In responding to an issue an individual can only invest in a limited number of issues, and an assessment of the characteristics of an issue guides the response (Dutton, Walton et al. 1989). Characteristics may include: importance, immediacy and uncertainty (Dutton 1986); feasibility and urgency (Dutton and Duncan 1987); immediacy, magnitude, locus and controllability (Dutton, Walton et al. 1989); value, legitimacy and relevance (Ocasio 1997); and capability to address the issue (Mittal, Ross et al. 2002).

The issues category clearly reflects an established theme in the literature. This literature can be used to suggest aspects of issues that are not evident in the original findings but that warrant further consideration. First, issues can arise from either the external or internal context. Second, strategic issues do not occur in the singular but rather in combination with interconnections between issues in the combination. Third, issues are not fixed and objective but may change and be reinterpreted over time. Fourth, individual, as well as organisational concerns are important in understanding responses to issues since such responses require personal investment of time, energy, and resources.

There is a relationship between issues and action since the commitment of managerial and organisational resources in responding to issues (Dutton and Duncan 1987; Dutton, Walton et al. 1989) produces a pattern of actions that can be interpreted as a strategy (Dutton 1986; Langlely, Mintzberg et al. 1995). The actions taken will be influenced by those issues to which attention is paid (Ocasio 1997), how those issues are categorised (Dutton and Jackson 1987; Bansal 2003), how they are framed in terms of the interpretation of the situation in which organisational actors find themselves (Dutton, Fahey et al. 1983; Thomas, Clark et al. 1993; Denison, Dutton et al. 1996), and any patterns of action that might be already legitimised in the context (Ocasio 1997).

Actions

That organisational performance is influenced by the actions of organisational actors (Dutton and Jackson 1987; Thomas, Clark et al. 1993; Jarzabkowski, Balogun et al. 2007) and that a manager's role involves taking action and facilitating action by others (Brunsson 1982; Isenberg 1984) are central assumptions in the strategy literature. Coherent patterns of action over time may be interpreted as a strategy (Mintzberg and Waters 1985; Araujo and Easton 1996; Chakravarthy and White 2002). Indeed, "There is near unanimity that whatever else strategy may be thought to be, it certainly is *consistent corporate action over time*" (Tsoukas and Knudsen 2002:422) (Emphasis in original). A pattern of actions can result from a deliberate overarching intention, emerge over time without overarching intention (Mintzberg and Waters 1985), or even as the result of "habituated tendencies and internalized dispositions" without requirement for the intentions of organisational actors (Chia and MacKay 2007:217).

However, action is poorly defined in the strategy literature (Bouchikhi, Kiduff et al. 1997), which provides little insight into the nature of such action and how such action relates to organisational outcomes (Johnson, Melin et al. 2003). In particular, there is debate regarding the extent to which thought or decision making precede action (Weick 1983; Tsoukas and Knudsen 2002; Weber and Glynn 2006). Actions may be driven by intention (Dutton and Jackson 1987), possibly linked to corporate goals (Kaplan and Norton 1993), or may result from programmes “on automatic” (Starbuck 1983). At one extreme action is deliberate, methodical and sequential as in a planned approach to strategy (Chaffee 1985; Andersen 2000). Alternatively, organisational systems and procedures generate action in an automatic and unreflective way, with the benefits of those actions poorly articulated, understood or even considered (Cohen, March et al. 1972; Starbuck 1983).

However, accepting that action occurs without a thorough consideration of alternative actions and their relative impact on goals (Brunsson 1982) does not necessarily deny intentionality in organisational action. Although Chia and MacKay (2007) argue human action is often mindless coping, they still consider this to be purposive, but without an overall goal in mind (Chia and Holt 2006). It may be that in practice, action occurs in both a routine, habitual and unreflective way and also in a more considered, reflective way (Ocasio 1997) and that strategy is developed via both emergent and planned actions (Chaffee 1985; Chakravarthy and White 2002) with the relative importance of each being influenced by context (Andersen 2000). Greater reflection may occur when there is a dislocation of expectations (Chia and Holt 2006) causing a more conscious engagement (Louis and Sutton 1991; Ocasio 1997).

Generating action with greater reflection may involve choosing from alternative actions (Ocasio 1997). This requires making sense of complex situations in order to formulate alternative courses of action (Dutton, Fahey et al. 1983; Thomas, Clark et al. 1993) which may be evaluated against criteria (Brunsson 1982). Identifying the correct course of action presents a dilemma, since adopting one course of action may rule out alternative courses of action (Ocasio 1997) but considering alternatives may tend to reduce commitment to any given alternative (Brunsson 1982). However, it may not be necessary to attempt to identify a single, correct course of action since a number of alternative courses of action may lead to the achievement of the desired outcome (Dess 1987; van de Ven 1992). Further, given that action requires motivation and commitment (Brunsson 1982; Mintzberg 1994), what may be more important than identifying a single, correct course of action is a recognition of political factors and how powerful stakeholders might respond to a course of action (Child 1997). In order to do this an organisational actor would require an appreciation of the actions of others and how their own actions relate to the actions of others, whether they are supportive or antagonistic (Weick and Roberts 1993; Wensley 2003). Hence, a course of action may be determined by the elimination of alternatives as a result of political and other constraints (Morgan 1983). However, the extent to which an individual can consider alternative courses of action, constraints and consequences is limited by individuals’ bounded capacity to be rational (Miller 1956; Cyert and March 1992; Ocasio 1997). Thus, action may be taken to increase understanding (Isenberg 1984; 1986) since taking action creates new data (Dutton and Duncan 1987; Johnson 1988; Weick, Sutcliffe et al. 2005).

Clearly, although action is influenced by an individual's interpretations (Hambrick and Mason 1984; Dutton, Walton et al. 1989; Child 1997; Hambrick 2007), the characteristics of a situation will influence action. For example, when time pressure is high, individuals may opt for swift action and limit the amount of analysis of a situation (Dutton, Fahey et al. 1983). Thus, actions are not predictable from just individual characteristics but are influenced by specific organisational context, the environmental context and the particular situation (Dutton 1986; Ocasio 1997). A number of influences can be identified at a supra-organisational level. These include inter-organisational imitation (Haunschild 1993), the institutional field (Araujo and Easton 1996; Barley and Tolbert 1997), strategic group membership (Peteraf and Shanley 1997), the history of the organisation's environment (Ocasio 1997) and the membership of networks (Madhavan, Koka et al. 1998). Organisations act differently when exposed to similar circumstances (Barr, Stimpert et al. 1992) and hence there must also be influences at the organisational level. At the organisational level, influences include the organisational paradigm (Johnson 1992), organisational routines and shared mindsets (Amburgey and Miner 1992), internal selection processes (Burgelman 1994), organisational culture (Araujo and Easton 1996) and organisational history (Ocasio 1997). Thus, action is bounded by the cognitive, material and relational structures within organisations (Child 1997) and the institutional context makes some actions unthinkable and others self-evident (Barley and Tolbert 1997; Weber and Glynn 2006).

However, the relationship between context and action has been under-researched from two aspects (Barley and Tolbert 1997; Weber and Glynn 2006). First, contexts are viewed as constraining but by providing the resources and rules for action, contexts can be enabling (Whittington 1988; 2006). Second, the relationship between context and action can be recursive (Ghoshal and Bartlett 1994; Barley and Tolbert 1997; Child 1997; Whittington 2006) such that action may be intended to change context (Lawrence 1999) or to produce contexts that are more conducive to future action (Madhavan, Koka et al. 1998).

The actions category clearly reflects a significant but weakly conceptualised theme in the strategy literature. The literature can be used to suggest aspects of action not evident in the original data. First, patterns of actions can arise by prior design or emergence but intentionality is relevant. Second, action may occur in a habitual, unreflective manner or in a more considered, reflective manner which involves formulating and evaluating alternative courses of action. Third, successful courses of action require commitment and motivation and should reflect political and other constraints including the responses of stakeholders. Fourth, action may be taken to explore and increase understanding because of individuals' cognitive limitations, uncertainty of stakeholder responses and information scarcity. Fifth, there will be both individual and contextual factors that influence action but the relationship is recursive such that action may change both individual and contextual factors.

Conclusion

This research argues that strategic thinking is an important phenomenon that is weakly conceptualised and inadequately researched. Deficiencies in the extant literature mean that a deductive approach was inappropriate. Consequently, an inductive approach is taken which aims to build theory by identifying relevant themes and categories from practice and connecting these to literature. The intention is not to assert a theory of strategic thinking but to suggest tentative

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framework of conceptual handles (Huxham and Beech 2003) as the basis for further research. At this stage based on data from this study and the strategy literature a tentative framework for strategic thinking can be proposed:

- Appreciation of a goal system, that is, a pattern of goals consisting of multiple and interlinked goals, some of which are long-term, rather than a single goal or a simple sequence of goals. A goal system may contain negative goals, which are ends to be avoided. Goals within a given goal system may relate to different entities, for example, supra-organisational, organisational, departmental and personal goals, and reflect a range of stakeholders. Goals may be general or specific. Goals may be consensual or conflicting, possibly emerging from constraints and political processes.
- Appreciation of patterns of actions in support of a goal system rather than a simple list of actions and of uncertainties of which actions will best support goals. Patterns of actions have multiple impacts on a number of goals, rather than an impact on a single goal. Patterns of actions may differ because they contain different actions or because they contain the same actions in different arrangements. Patterns of actions may be premeditated or emergent and action may be taken to increase understanding. Appreciation of patterns of action may involve formulating and evaluating alternative courses of action or reflecting on the consequences of actions taken. Motivation to take action since this may be necessary to resolve uncertainty as a result of cognitive limitations, stakeholder responses and information scarcity.
- Appreciation of combinations of issues rather than single unconnected issues and associated uncertainties. This combination will include internal and external issues, and may include supra-organisational, organisational, and personal issues, which may have a social dimension. Appreciation of combinations of issues involves the impact on the goal system and the impact on patterns of actions by constraining or enabling actions. A combination of issues determines the context for the goal system and patterns of action. This appreciation also involves reflection on how issues might be framed, categorised and reinterpreted over time.

This research makes four contributions. First, it conducts research into strategic thinking with an explicit connection to management practice. Second, it connects strategic thinking practice to the strategy literature. Third, it evaluates three major themes in the strategy literature, relating to goals, issues and actions, and integrates these principally discrete themes in relation to strategic thinking. Fourth, it develops a tentative framework of conceptual handles (Huxham and Beech 2003), grounded in both practice and literature, that can be used as the basis for further research. Further research could be used to overcome some of the limitations of this research, in particular, the small number of participants, the single context and researcher bias.

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FIGURE 1
Title field search of ABI/INFORM Global Database

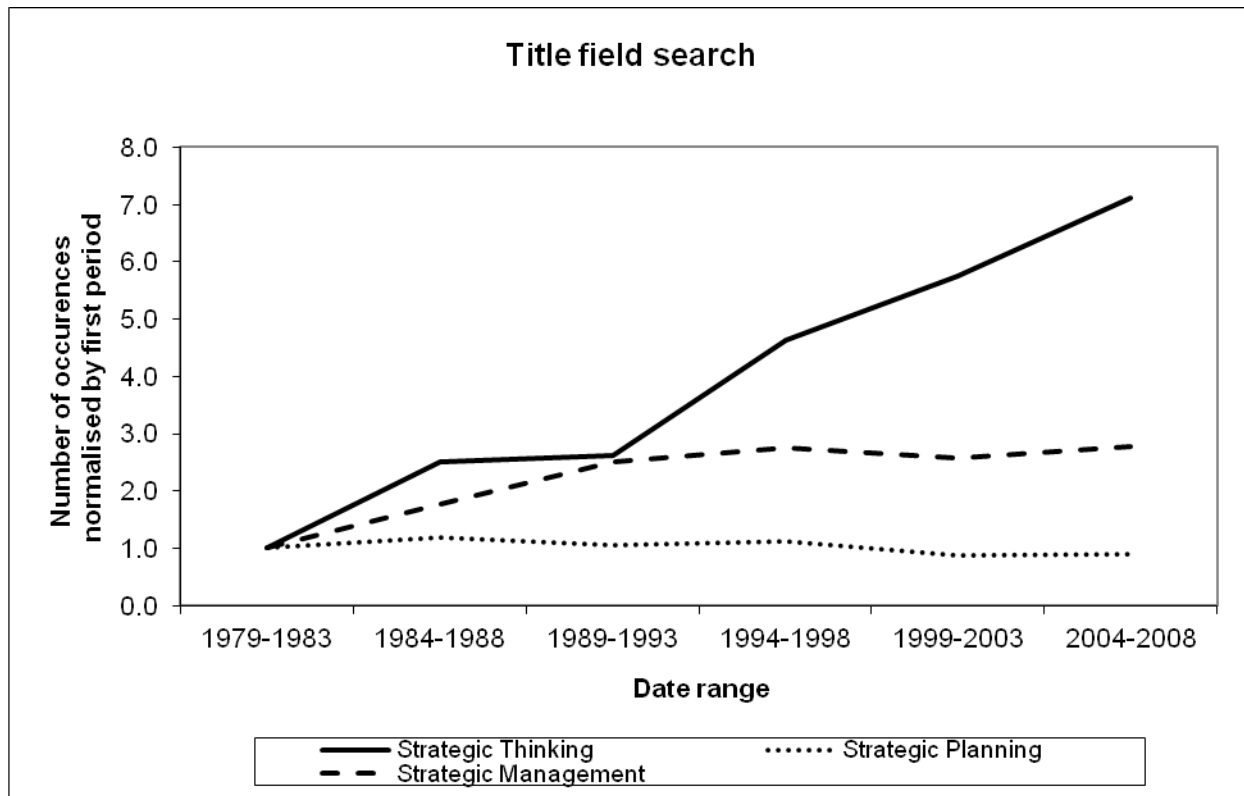


TABLE 1
Characteristics of strategic thinking and citing authors

Characteristic	Authors citing the characteristic	Number publications citing the characteristic
1 Creative	(Weber 1984; Porter 1987b; Howard 1989; Bates and Dillard Jr 1993; Mintzberg 1994; Goldsmith 1996; Heracleous 1998; Liedtka 1998a; Bonn 2001; Graetz 2002; O'Shannassy 2003; Bonn 2005)	12
2 Vision of the future	(Howard 1989; Stumpf 1989; Mintzberg 1994; Liedtka 1998a; Linkow 1999; Bonn 2001; 2005)	7
3 Holistic	(Steiner, Kunin et al. 1983; Mintzberg 1994; Singer 1996; 1997; Liedtka 1998a; Linkow 1999; Bonn 2001)	7
4 Complex or systems thinking	(Stumpf 1989; Reagan-Circincione, Schuman et al. 1991; Liedtka 1998a; Linkow 1999; Bonn 2001; Dickson, Farris et al. 2001; Bonn 2005)	7
5 Rational and analytical	(Weber 1984; Porter 1987b; Stumpf 1989; Linkow 1999; O'Shannassy 2003)	5
6 Longer time perspective	(Easterby-Smith and Davies 1983; Steiner, Kunin et al. 1983; Howard 1989; Stumpf 1989; Reagan-Circincione, Schuman et al. 1991)	5
7 Questioning taken for granted assumptions	(Howard 1989; Eden 1990; Heracleous 1998; Linkow 1999; Bonn 2001)	5
8 Divergent	(Goldsmith 1996; Heracleous 1998; Graetz 2002; O'Shannassy 2003)	4
9 Synthetic	(Mintzberg 1994; Heracleous 1998; Graetz 2002; O'Shannassy 2003)	4
10 Broader context	(Easterby-Smith and Davies 1983; Goldsmith 1996; Bonn 2001)	3
11 Intuitive	(Bates and Dillard Jr 1993; Mintzberg 1994; Graetz 2002)	3

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12 Connecting past, present and future	(Liedtka 1998a; Linkow 1999; O'Shannassy 2003)	3
13 Problem solving	(Stumpf 1989; O'Shannassy 2003; Bonn 2005)	3
14 Intent focussed	(Steiner, Kunin et al. 1983; Liedtka 1998a)	2
15 Abstract or conceptual	(Stumpf 1989; Bates and Dillard Jr 1993)	2
16 Tolerant of risk or ambiguity	(Stumpf 1989; Bates and Dillard Jr 1993)	2
17 Curious, experimental or exploratory	(Howard 1989; Liedtka 1998a)	2
18 Active in shaping circumstances	(Easterby-Smith and Davies 1983)	1
19 Focusing on most significant forces	(Steiner, Kunin et al. 1983)	1
20 Involving values	(Linkow 1999)	1

Table 2 – the interview protocol

The opening question was “What is an issue that may have significance for the organisation that you have been thinking about in the last week?”

Immediately following this was added “And there may be none”

Once the interviewee had provided an issue the opening question was repeated as “What is another issue that may have significance for the organisation that you have been thinking about in the last week?”

Immediately following this was added “And there may be none”

The opening question was repeated a number of times until the interviewee offered no more issues.

Each of these issues was written onto separate “Post-it” notes and the interviewee was asked to arrange them in order from most strategic to least strategic.

When the interviewee had identified the most strategic issue they were asked “What makes this the most strategic?”

The interviewee was then asked “What have you been thinking about [the name of the issue] recently?”

FIGURE 2
Mapping of characteristics of strategic thinking from table 1

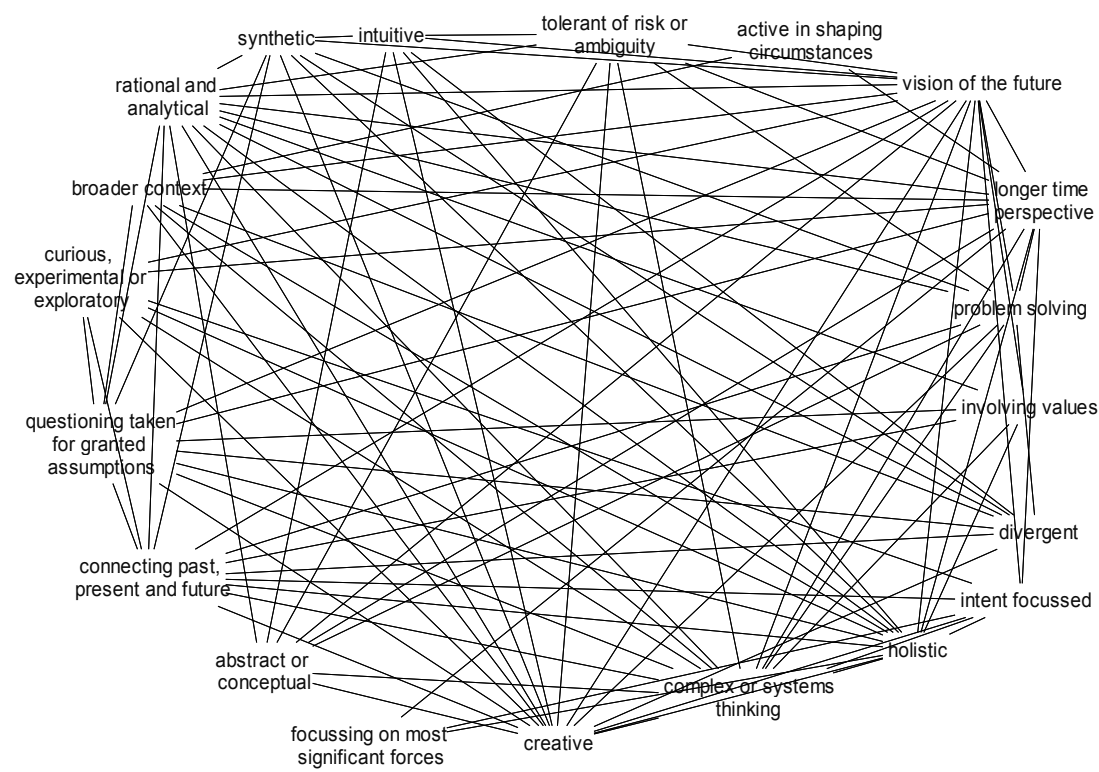


Figure 3 – the most strategic issues and the reasons why they are the most strategic

